

Chesterfield Borough Council Housing Services

STRATEGIC ACQUISITIONS POLICY

BACKGROUND

The Strategic Acquisitions Policy sets out the circumstances where Housing Services will seek to increase its housing stock through the acquisition of existing property or land rather than by new build.

The Strategic Acquisitions Policy will cover the purchasing of properties and land from the open market (including former Right-to-Buy properties where the Right of First Refusal has elapsed), the purchasing of properties directly from residential developers through s106 agreements and the purchasing of properties being disposed of by Housing Associations.

The Housing Act 2004 introduced the Right of First Refusal (RFR) that gives Local Authorities the first opportunity to 'buy-back' properties being sold by former tenants who acquired their properties under the Right-To-Buy (RTB). This applies to ALL sales within ten years of purchase. Properties offered through the RFR are considered as part of the Right To Buy (Right of First Refusal) Policy.

In certain circumstances strategic acquisitions will deliver a more immediate and value for money solution to meeting housing need in the Borough. This policy identifies opportunities where Chesterfield Borough Council could acquire new homes for social or affordable rent with several benefits including:

- Strengthening the HRA Business Plan through rental income
- Delivering high quality homes to meet local affordable housing need
- Good value for money when compared to equivalent new-build costs
- Offsetting the loss of housing stock through RTB
- Preventing the loss of affordable housing units through purchasing surplus units of housing stock from Housing Association partners.

STRATEGIC LINKS

The Council considers strategic acquisitions as part of a wider programme of new build and stock investment. The repurchasing of properties will need to be considered in terms of delivering a more immediate solution to housing need in an area and better value for money. The acquiring of new affordable homes through acquisition will make a significant contribution to the achievement of wider Council priorities – particularly in respect of links with the following Strategies and Plans:

- Corporate Plan 2014-2015
- Housing Strategy 2013-2016
- HRA Business Plan
- Homelessness Strategy 2008-2013

The implementation of the policy has benefits for both the Council as a Strategic Housing authority and landlord to increase the social housing stock, the potential to prevent homelessness in certain circumstances and increasing the ability to make appropriate investment decisions in areas if a property is repurchased.

PURCHASE CRITERIA

To be considered for purchasing as a Strategic Acquisition the property or land must meet one of the following criteria:

Sustainability:

- The property is within a block of flats where the purchase will mean the Council regains the ownership of all the properties within the block
- The purchase will enable the Council to consider wider regeneration opportunities in the future (for example regaining ownership of a pair of semi-detached properties)
- The purchase will enable the Council to tackle a long term empty home
- The purchase will facilitate a development opportunity

Housing Need:

- Where the householder is facing eviction by the Mortgage Company and the purchase could alleviate potential homelessness
- Where there is a clear identified need for the property type in the estate area.

Financial Considerations:

- The owner has a large service charge/ major works debt they are unable to afford (Leasehold property only)
- The owner cannot afford to pay future service charges due to changes in their financial circumstances – even with the facility of a 10 year loan (Leasehold only)
- There is sufficient funding in the Housing Capital Programme. The current funding available (in 2015/16) is £300,000 .
- The maximum price payable for a property will not exceed £90,000 (to increase by inflation each year from 2015)
- The maximum value of the property purchase and works required to bring the property to a lettable standard does not exceed £95,000.

If the property being considered does not meet one of these criteria, a report to Cabinet will be required to secure approval for the spend.